

***Water Quality Cooperative Agreement
For
Nutrient Relocation and Alternative Use
for Poultry Litter-Manure***

Among

Delaware Department of Agriculture
Delaware Department of Natural Resources and Environmental Control
Delaware Nutrient Management Commission
Natural Resources Conservation Service of Delaware

And

Allen's Hatchery, Inc.
Mountaire Farms of Delaware and Delmarva, Inc.
Perdue Incorporated

This Cooperative Agreement is entered into this 1st day of August, 2007, to evidence and affirm the commitment of Allen's Hatchery, Inc., Mountaire Farms of Delaware, Inc., Mountaire Farms of Delmarva, Inc., Perdue Incorporated and its subsidiaries (collectively, the "poultry companies") and the Delaware Nutrient Management Commission (the Commission), Delaware Department of Agriculture (DDA), the Delaware Department of Natural Resources and Environmental Control (DNREC) and the Natural Resources Conservation Service (NRCS) for the protection of the environment and to specify actions the Parties will undertake in the distribution of excess poultry litter-manure generated in the State of Delaware (State).

WHEREAS, the parties recognize and continue to implement the January 8, 2001 Memorandum of Understanding regarding environmental protection and nutrient management strategies; and

WHEREAS, the poultry companies have adopted, as general guidance and acknowledgement of their leadership roles in promoting the protection of the environment and water quality, the Environmental Framework and Implementation Strategy for Poultry Operations, December 9, 1998.

WHEREAS, improved agricultural practices, including poultry litter-manure management practices, represent one of the elements in the State's plan to reduce nutrient loading to waters of the State; and

WHEREAS, the State of Delaware has enacted the Nutrient Management Law (the "Law") to regulate those activities involving the generation and application of nutrients in order to help improve and maintain the quality of Delaware's ground and surface waters or respective watersheds; and

WHEREAS, the parties desire and agree to promote sound environmental stewardship and encourage the effective implementation of the Law; and

WHEREAS, the parties believe that these goals can be achieved most effectively through open dialogue, consensus and cooperation, as set forth; and

WHEREAS, all parties commit to financially supporting the Delaware Relocation Program or otherwise establishing and maintaining an alternative use project; and

WHEREAS, the parties recognize that this agreement covers the basic cooperative agreement between all signatories. Authority to carry out specific projects and the transfer of funds may be established under separate agreements as needed, to facilitate the implementation of the relocation program; and

WHEREAS, the Commission continues to oversee the Delaware Relocation Program and encourages feedback on rates, standards and overall program operations; and

WHEREAS, All activities conducted under this agreement shall be in compliance with the following: The nondiscrimination provisions contained in Titles VI and VII of the Civil Rights Act of 1964, as amended; The Civil Rights Restoration Act of 1987 (Public Law 100-259) and other nondiscrimination statutes, namely, Section 504 of the Rehabilitation Act of 1973; Title IX; amendments of 1972; Age Discrimination Act of 1975; Americans with Disabilities Act of 1990; Drug-Free Workplace Act of 1988 (Public Law 100-690, Title V, Subtitle D); and, regulations of the U.S. Secretary of Agriculture (7CFR- 15, Subparts A & B) which provide that no person in the United States shall, on the grounds of race, color, national origin, age, sex, religion, marital status, or disability be excluded from participation in, be denied the benefits of or be otherwise subjected to discrimination under any program or activity receiving Federal financial assistance from the United States Department of Agriculture or any agency thereof; and

WHEREAS, The NRCS is authorized under Public Law 74 - 46, 16 U.S.C.; 590 (a-f) to plan and carry out a national soil and water conservation program, and provide leadership in conservation, development and productive use of the Nation's (non-Federal) soil, water and related resources; and

WHEREAS, This agreement is not intended to, and does not create, any right, benefit, or trust responsibility, substantive or procedural, enforceable at law or equity, by a party against a poultry company, the State, the United States, its agencies, its officers or any person.

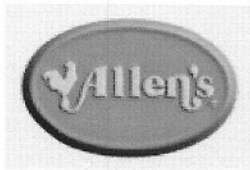
IN COOPERATION, the parties agree as follows:

1. Alternative use and disposition of poultry litter-manure; Each of the poultry companies shall investigate, individually and in conjunction with academic and/or governmental organizations or other business entities, sound alternative uses for poultry litter-manure. Criteria for evaluating alternative uses will include sound science, sound economic and business principles and sound environmental stewardship. The poultry companies will assist their respective growers in locating options for the safe and appropriate disposition of excess litter-manure, deemed to be excess through the implementation of the Law.
2. Financial assistance for Delaware Relocation Program; Any poultry company that has not developed a bona fide alternative use for at least 10,000 tons of Delaware generated poultry litter-manure, will assist in funding the Delaware Relocation Program. The contribution shall be 50 % of the total relocation cost of company owned or contracted poultry farms not to exceed 20,000 tons or \$100,000. Financial transactions shall be coordinated by the DDA and the respective poultry companies and shall become effective August 1, 2007.
3. Relocation priorities; The Commission will quantify goals for the relocation of raw and processed poultry litter-manure distribution. Such goals will recognize critical areas, alternative uses and cost effectiveness of relocation. Additional relocation funds will be pursued and segregated to augment the exportation of processed

poultry litter-manure from the Chesapeake Bay Watershed. Such projects will be reflected in the Commission's annual report to the General Assembly and the Governor.

4. Meetings between the signatory parties shall be scheduled no less than annually to discuss progress, cooperation, and evolving topics addressed in this Cooperative Agreement.

IN WITNESS of the commitment to voluntarily undertake actions set forth herein, the parties agree to execute this Cooperative Agreement:



Allen's Hatchery Inc.

By

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Delaware Department of Agriculture

By

A handwritten signature in black ink, appearing to be "Michael T. Swan", written over a horizontal line.



**Delaware Department of Natural Resources
and Environmental Control**

By

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Delaware Nutrient Management Commission



By

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Mountaire Farms of Delaware Inc. and Delmarva Inc.

By

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Natural Resources Conservation Service

By

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Perdue Incorporated



By

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